

10 MAY 1950

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~~TOP SECRET~~

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## GENERAL

1. Soviet response to proposed all-Berlin elections--US  
Commanding General Taylor in Berlin reports that the recent Soviet response to the Western proposal to hold all-Berlin elections, in view of the conditions imposed, is regarded by US officials, West Berlin leaders, and the general public "as tantamount to refusal" to permit elections. Taylor expresses the opinion that the Soviet demand for troop withdrawal from Berlin and for abrogation of the 1949 Occupation Statute (which would restore Soviet veto rights in the government of all Berlin) is "wholly unacceptable" to the Western Powers.

(CIA Comment: CIA agrees that the Soviet response to the Western proposal constitutes a refusal to hold all-Berlin elections, and believes that the Soviet reply is merely a propaganda attempt to counter the favorable effect on the Berlin population of the Western proposal.)

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2. Acheson and Schuman review Western objectives--In reviewing world-wide objectives of the West with French Foreign Minister Schuman in Paris, Secretary of State Acheson expressed the opinion that the next three or four years would be critical because the USSR, by devoting proportionately more of its budget to military activities than the West, is widening the military gap, and might be induced by the altered balance of forces to take hostile measures in 1953-54. Acheson and Schuman agreed that in view of this situation, the West must strengthen its economic base, begin to put into operation its Hague military program, attach and utilize the great resources of West Germany, and coordinate propaganda efforts to give continuing expression to Western objectives. In response to Acheson's observation that the control of East-West trade has great strategic significance, Schuman remarked that France has agreed to renounce all deliveries that would strengthen the USSR.

OSD review(s)  
completed.

## State Dept. review completed

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Schuman spoke eloquently of the excellent state of Franco-American relations, declaring that the majority of the French people felt that the European recovery program had saved the economy of France and that of Europe. In regard to divergent US-French views, Schuman declared that the US attitude on colonial problems had caused France some concern. He added that France had abandoned colonialism, but that chaos would result if the political evolution of backward areas preceded economic evolution. In reference to the French position in Indochina, Schuman emphasized that although France will not leave Indochina, it cannot remain there without help and still meet current commitments for European defense. Schuman commented that although it was not possible to so inform the Vietnamese now, the 8 March Agreements would "obviously" be modified after the end of the present conflict in Indochina. Schuman agreed to the proposed unilateral US statement on Indochina, and noted that in the next few days a French Ministry of Associated States would be created which would take control of Indochinese affairs out of the colonial office. Schuman and Acheson agreed on the importance of keeping Southeast Asia out of Communist hands, and on the primary responsibility of the French for holding Indochina, with the US acting in a supporting role. Schuman made a plea for the immediate delivery by the US of fighter planes and small naval vessels to be used in controlling the smuggling of arms to the rebel forces in Indochina.

At a later meeting, Acheson and Schuman agreed that the North Atlantic Treaty Organization needs a continuing executive to supply the foreign ministers with necessary information. In discussing Germany, Acheson expressed the view that there are probably only 18 months to three years left to the Western Powers to influence developments in Germany, regardless of the period of occupation, and that Germany must be "irrevocably aligned to the West." He added that the West should not contemplate building up German military forces, but must offer security and an economic future to the Germans. Acheson and Schuman agreed that the German nation must be increasingly integrated with Western Europe.

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